



# STAFF REPORT

Meeting Date: March 11, 2014

Agenda Item #9B

**Agency:** City of Belmont

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**Agenda Title:** Public Hearing of the City Council Adopting a Resolution Approving the Third Amendment to the Old County Road Utility Undergrounding District Boundary (Rule 20A Undergrounding Utilities Conversion)

**Agenda Action:** Resolution

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## **Recommendation**

Conduct a public hearing and approve a resolution amending the Old County Road Utility Undergrounding District Boundary (formerly known as Old County Road and Masonic Way Underground District).

## **Background**

Since 1967, underground conversions in the State of California have been performed under California Public Utility Commission (CPUC) Rule 20 which has three parts: A, B, and C. Under Part A, undergrounding in the City of Belmont is paid for and performed by the local electric utility, Pacific Gas & Electric Company (PG&E). Through a program called "Rule 20A," PG&E is required to annually set aside funds for financing the undergrounding of overhead distribution facilities located on public streets and roads. Each year the City of Belmont is notified by PG&E regarding the allocation of work credits for conversion of overhead electric distribution lines and facilities to underground, known as Rule 20A allocations. Telephone and cable utilities pay through their own undergrounding budget. The purpose of undergrounding the utilities is to improve aesthetics and remove exposure of the utilities to the uncertainty of weather or vehicle collisions. Parts B and C provide for undergrounding funded through entities other than PG&E ratepayers, such as governmental agencies or private entities through maintenance assessment districts.

Pursuant to certain criteria, CPUC rules allow participating cities to establish legislation authorizing the creation of underground utility districts within which existing overhead electric distribution, telecommunication distribution, and service facilities will be converted to underground. Also, the City of Belmont has adopted an ordinance, codified as Chapter 15.5 - OVERHEAD UTILITY FACILITIES in the Belmont City Code, authorizing the City Council to designate areas within which all existing overhead poles, overhead wires, and overhead equipment associated with the distribution of electric power, telecommunication services, and cable television should be removed and replaced with underground wires and facilities.

In conformance with the City procedures, on April 8, 2003, the City Council established the Old County Road Utility Undergrounding District Boundary (formerly known as Old County Road and Masonic Way Underground District) by Resolution 9389. The project included undergrounding of existing overhead power and communication utilities along Old County Road and one block of Masonic Way between Old County Road and Granada Street.

The City Council determined after hearing all comments on the subject that the Underground Utility District was created in the general public interest for one or more for the following reasons:

1. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities; and,
2. The street, road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic (including bicycles); and,
3. The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public; and,
4. The street or road or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines and in the adopted General Plan.

On May 13, 2003, the City Council adopted a resolution to allow the option to use Rule 20A Funds for installation of 100 feet of underground service laterals and up to \$1,500 for the conversion on electric service panels within the established underground district. Relocation costs in excess of these limits were the property owner's responsibility.

On September 22, 2003 and May 25, 2010, the City Council approved amendments to the boundary of the PG&E utility undergrounding district. The revisions were made per PG&E's request to include properties that would only be affected by the undergrounding and exclude those that were already undergrounded with other development projects.

In 2010, the City received a grant for paving the Old County Road south of Ralston Avenue, and requested that PG&E complete the trenching and conduit installation of that section by installing the necessary conduits in that portion of Old County Road.

### **Analysis**

Over the last year, the City has engaged PG&E to reinitiate the final design and construction of the work. PG&E is in the process of preparing the final design plans. As these plans are developed, further adjustments to the district boundary map is now required. After discussions with PG&E and San Mateo County representatives, staff recommends the following:

1. Revise the district boundary map to include all properties that will be affected by the undergrounding along Old County Road and Masonic Way. The current district map does not include six properties along Masonic Way and Old County Road that are found to be affected by this project. There are also seven properties on Dale View Avenue,

Sterling View Avenue, Waltermire Street and Granada Street that have to be undergrounded once the overhead wires and poles are removed along Old County Road.

2. There are two existing overhead high voltage power lines crossing the Caltrain right-of-way near Marine View and Mountain View Avenues (and span over to El Camino Real) that are not included in the current district boundary. After discussions, PG&E agreed to include undergrounding these two lines, though the estimated cost for this work can exceed \$400,000.
3. The County of San Mateo will underground the overhead utilities on Old County Road in the vicinity of Harbor Boulevard in conjunction with the City's portion of the work. Staff recommends including 701 Harbor Boulevard as a part of the district to allow the County to complete undergrounding this area.

The amendment of the boundary map will allow PG&E to complete their final design and right-of-way clearance. The construction of the project is tentatively scheduled to begin in the summer of 2015 which will take approximately 18 months to complete.

There are four main phases of construction:

1. Trenching involves digging a trench within the travel lanes through the extent of the project limits and in each individual property to place conduits that will eventually house the new underground lines. Panel conversion requires the program contractor to prepare each electric meter panel to accept the new underground service.
2. Cabling and placement of equipment involves running utility lines through the newly placed underground conduits. Once cabling is complete, the new underground system will be energized for use.
3. Cutover involves taking residents off the old overhead system and converting them to the new underground system.
4. Removal involves taking down the overhead lines and utility poles. This portion of work happens at the end of construction

Based on City action on May 13, 2003, Rule 20A funds can be used to pay for the installation of 100 feet of underground service laterals and up to \$1,500 for the conversion on electric service panels within the established underground district. However, any relocation costs exceeding these limits will be the property owner's obligation. In order to reduce potential cost to the property owners, staff is working with PG&E to allow the use of Rule 20A funds for panel conversion even if the cost exceeds \$1,500.

Staff will shortly bring an agreement regarding this arrangement with PG&E for the City Council's consideration and approval. PG&E also indicates all the services laterals required within the undergrounding district are less than 100' based on information from their preliminary design. Prior to PG&E performing this work, "Permission to Enter Form" must be signed by the property owners.

At the end of the project, the corresponding utility poles will then be removed, improving the appearance of the commercial/residential area of Old County Road District. Some parcels within the proposed District Boundary (such as more recent developments) may already receive service from an underground source. There will be no change to these individual service lines.

The estimated construction cost after the boundary amendment is approximately \$8 million. To date the credit allocated to the City is \$5,177,105 including a negotiated transfer of \$1.7 million Rule 20A funds from the City of Foster City to the City of Belmont. In addition, the Rule 20A typically allows borrowing of five years future allocation only. Although the estimated total construction cost exceeds the allocated credit plus the five years borrowing, the project is grandfathered before the 2011 work credit allocation changed. This means PG&E has agreed to complete the project even if the City must borrow out more than five years of future Rule 20A work credits.

### **Environmental Impact**

The City of Belmont as Lead Agency under CEQA has determined that the proposed Old County Road Underground Utility District is categorically exempt, under Section 15302(d), from environmental review pursuant to the California Environmental Quality Act.

### **Alternatives**

1. Refer staff for more information.
2. Take no action.

### **Attachments**

- A. Resolution
- B. Exhibit A – Amended Utility Underground Map
- C. PG&E Letter
- D. Public Hearing Notice

### **Fiscal Impact**

- ☐ No Impact/Not Applicable
- ☒ Funding Source Confirmed: Construction costs paid by the Rule 20A Fund. However, the City is obligated to allocate staff time to coordinate project with property owners and utility companies; obtain right-of-entry agreements from property owners; permit inspections; provide information for locations of property lines etc.

### **Source:**

- ☒ Council
- ☒ Staff
- ☐ Citizen Initiated
- ☐ Other\*

### **Purpose:**

- ☒ Statutory/Contractual Requirement
- ☒ Council Vision/Priority
- ☐ Discretionary Action
- ☐ Plan Implementation\*

### **Public Outreach:**

- ☒ Posting of Agenda
- ☒ Other\*

\* Notices for the public hearing are mailed to all property owners within the undergrounding utility district.